

STAND. COM. REP. NO.

3460

Honolulu, Hawaii

APR 16 2014

RE: H.C.R. No. 176

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Economic Development, Government Operations and Housing, to which was referred H.C.R. No. 176 entitled:

"HOUSE CONCURRENT RESOLUTION REQUESTING THE STATE PROCUREMENT OFFICE TO CONDUCT A STUDY ON THE FEASIBILITY, NECESSARY PROCESSES, AND COSTS RELATIVE TO REQUIRING THE CONSIDERATION OF PAST PERFORMANCE AS A FACTOR IN AWARDING PUBLIC CONTRACTS, INCLUDING LOW BID CONTRACTS,"

begs leave to report as follows:

The purpose and intent of this measure is to request the State Procurement Office to conduct a study on the feasibility, necessary processes, and costs relative to requiring the consideration of past performance as a factor in awarding public contracts, including low bid contracts.

Your Committee received testimony in support of this measure from the Hawaii Construction Alliance. Your Committee received testimony in opposition to this measure from the State Procurement Office. Your Committee received comments on this measure from the General Contractors Association of Hawaii and Building Industry Association of Hawaii.

Your Committee finds that according to the State Procurement Office, debarring a contractor for poor performance is not a common practice. A contractor's past performance, if considered, is only considered during the evaluation of proposals submitted to a specific request for proposals. This raises concerns with regard to low bid construction contracts, which must be awarded to the lowest responsive bidder.

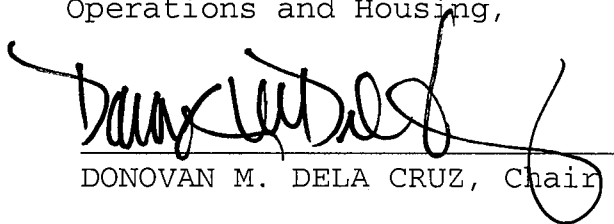
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Your Committee further finds that several other jurisdictions, including the federal government, state governments, municipalities, and tribal governments, require consideration of past performance in low bid contracts. Having an opportunity to review the past performance of contractors would give the State an opportunity to avoid poor-performing contractors and enter into contracts with better-performing contractors.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 176, and recommends that it be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development, Government
Operations and Housing,



DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Economic Development, Government Operations and Housing
EGH

Bill / Resolution No.:* HCR 176	Committee Referral: EGH, WAM	Date: 4/14/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
SLOM, Sam (VC)	X			
BAKER, Rosalyn H.				X
CHUN OAKLAND, Suzanne				X
ENGLISH, J. Kalani				X
THIELEN, Laura H.	X			
WAKAI, Glenn	X			
TOTAL	4	0	0	3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: _____				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes